

# Stalling of FASEA exam bill yet another Govt failure with industry & consumers the biggest losers says UFAA

Once again, federal politicians have displayed their inability to put the interests of the nation's consumers and the wellbeing of the financial services advisory sector ahead of political gamesmanship with the stalling of the Financial Adviser Standards & Ethics Authority (FASEA) exam extension in the Senate said United Financial Advisers Association (UFAA) Chairman and spokesperson Mr Alex Vaglivello.

Commenting further Alex Vaglivello said politicians continue to reinforce the long-held perception that they lack any understanding and appreciation for the role of the adviser and importance of financial advice in supporting Australians achieve their individual retirement, business and lifestyle protection objectives.

The dire results of two decades of financial services industry reform failure and mismanagement with Australian consumers being the greatest losers can attest to this.

"At a time when the nation is facing its greatest economic challenge, access to quality professional advice and service is so crucially needed by Australian consumers, business owners and individuals that have lost jobs, the government has chosen to extend the relief Bill to August", added Alex Vaglivello.

"Furthermore, politicians continue to ignore the fact that financial advisers are SMEs and are leaving the industry in unprecedented numbers. This latest fiasco will not only accelerate the exodus, but in doing so, condemn their administrative staff and paraplanners to be added to the ranks of unemployed".

"It simply defies comprehension!"

The rapidly mounting list of dire economic consequences in the wake of the coronavirus pandemic and folly of decisions past are being exposed. Among these are:

- House prices predicted to fall by as much as 30 percent according to CBA
- Unemployment, to exceed 15 percent predicts the Grattan Institute with the underemployment rate to take the number well over 20 percent.
- Higher rates of bankruptcy as both business and households collapse from lack of income
- Mental health issues predicted to increase across the board as individuals, families and business owners grapple with bleak financial circumstances
- Household debt at an eye-popping 200 percent of income, according to the OECD

So, dramatic are these circumstances that they are being compared to figures not seen since the Great Depression of the 1930's affirmed Alex Vaglivello.

"From the outset of the resultant collapse in share and property markets brought about by the pandemic, financial advisers have literally been inundated by business owners forced to close their enterprises and individuals made unemployed or required to take leave without pay".

"All reaching out to advisers needing professional qualified advice in relation to pensions, superannuation, share values, personal and household debt, how to manage cashflow, life insurances, mortgages, etc".

Hampering access to these much-needed services has been the massive compliance and regulatory burden imposed on the adviser that has made advice unaffordable to the mums, dads, tradies and SMEs that need it most.

Overwhelmed by escalating operational expenses from ASIC fees to professional indemnity costs and their businesses and livelihoods under threat at every turn – is it any wonder many advisers are also facing mental health distress.

Alex Vaglivello concluded, "The failure to pass the FASEA extension bill was not an issue of a simple exam extension but a reaffirmation of the gulf

between politicians (and their consultants) and real world of advisers and the benefit they provide to consumers – many of whom now are on Struggle Street as a result of the pandemic”.

“At a time when Australia needs bold and decisive action and a vision charting a return to economic well-being for the good of the people, federal parliamentarians are once again found wanting. They simply don't care”.

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